

**Effective 5/12/2015**

**63H-8-302 Corporation -- Additional powers.**

- (1) To accomplish the declared purposes of this chapter, the corporation has the following powers:
  - (a) to purchase mortgage loans originated by mortgage lenders or local public bodies made for the purpose of financing the construction, development, rehabilitation, refinancing, or purchase of residential housing for low and moderate income persons;
  - (b) to make mortgage loans and to provide financial assistance to housing sponsors for the purpose of financing the construction, development, rehabilitation, refinancing, or purchase of residential housing for low and moderate income persons;
  - (c) to make mortgage loans and provide financial assistance to housing sponsors for the purpose of financing the operations of a housing development that are necessary or desirable to enable the housing development to remain available as residential housing for low and moderate income persons, whether or not the housing development has been financed by the corporation;
  - (d) to provide financial assistance to any housing authority created under Title 35A, Chapter 8, Part 4, Housing Authorities, which housing authorities may enter into commitments for and accept loans for a housing project as defined in Section 35A-8-401; and
  - (e) to make mortgage loans and to provide financial assistance to low and moderate income persons for the construction, rehabilitation, refinancing, or purchase of residential housing.
- (2) The corporation may issue bonds to purchase loans under Subsection (1)(a) only after a determination by the corporation that the loans are not otherwise available upon reasonably equivalent terms and conditions from private lenders.
- (3) Loans for owner-occupied housing made under Subsection (1)(a) may not include a penalty for prepayment.
- (4) The corporation shall make rules or adopt policies and procedures to govern the activities authorized under this section, including:
  - (a) procedures for the submission of requests or the invitation of proposals for the purchase and sale of mortgage loans and the making of mortgage loans;
  - (b) rates, fees, charges, and other terms and conditions of originating or servicing mortgage loans in order to protect against a realization of an excessive financial return or benefit by the originator or servicer;
  - (c) the type and amount of collateral, payment bonds, performance bonds, or other security to be provided for construction loans made by the corporation;
  - (d) the nature and amounts of fees to be charged by the corporation to provide for expenses and reserves of the corporation;
  - (e) procedures allowing the corporation to prohibit persons who fail to comply with the rules of the corporation with respect to the operations of a program of the corporation from participating, either directly or indirectly, in the programs of the corporation;
  - (f) the terms and conditions under which the corporation may purchase and make mortgage loans under each program of the corporation;
  - (g) the terms and conditions under which the corporation may provide financial assistance under each program of the corporation;
  - (h) the terms and conditions under which the corporation may guarantee mortgage loans under each program of the corporation; and
  - (i) any other matters related to the duties or exercise of powers under this section.
- (5)
  - (a)

- (i) The trustees of the corporation shall elect the directors, trustees, and members, if any, of each subsidiary.
- (ii) Service by a trustee of the corporation in any of these capacities does not constitute a conflict of interest for any purpose.
- (iii) The corporation may delegate any of its powers and duties under this chapter to any subsidiary.
- (iv) Subsidiaries shall constitute legal entities separate and distinct from each other, the corporation, and the state.
- (b) A note, bond, and other obligation of a subsidiary shall contain on its face a statement to the effect that:
  - (i) the subsidiary is obligated to pay the note, bond, or other obligation solely from the revenues or other funds of the subsidiary;
  - (ii) neither the corporation, nor the state, nor any of its political subdivisions is obligated to pay the note, bond, or other obligation; and
  - (iii) neither the faith and credit nor the taxing power of the state or its political subdivisions is pledged to the payment of principal, the redemption price of, or the interest on, the note, bond, or other obligation.
- (c) Upon dissolution of a subsidiary of the corporation, any assets shall revert to the corporation or to a successor to the corporation or, failing this succession, to the state.
- (6)
  - (a) The corporation may, with the approval of the state treasurer:
    - (i) enter into interest rate contracts that its trustees determine are necessary, convenient, or appropriate for the control or management of debt or for the cost of servicing debt; and
    - (ii) use corporation funds to satisfy its payment obligations under those contracts.
  - (b) An interest rate contract may contain payment, security, default, termination, remedy, and other terms and conditions that the trustees consider appropriate.
  - (c) An interest rate contract and funds used in connection with an interest rate contract may not be considered a deposit or investment.

Amended by Chapter 164, 2015 General Session

Renumbered and Amended by Chapter 226, 2015 General Session